

Milwaukee County Task Force
Meeting of July 13, 2006

Members Present - Sheldon Lubar, Michael Morgan, John Hohenfeldt, Julia Taylor, Jeremy Levinson, Dennis Conta, Chuck Orenstein, Deborah Blanks, Linda Seemeyer (for Steve Agostini), Kenneth Munson, Craig Kammholz (for Wally Morics), Patti Yunk (for Rich Abelson), Craig Maher, Tim Sheehy

Staff Present - Audra Brennan, Paul Ziegler, David Schmiedicke, Nikki Hatch and John Koskinen

Introduction of the committee members

Opening remarks by Sheldon Lubar - Governor Doyle has asked that this task force undertake a deliberate and independent review of Milwaukee County finances, to assess the seriousness of the county's fiscal condition and to, by December 1, 2006, report back to him on what can be done to address the matter.

Opening Remarks by Michael Morgan - Because Milwaukee County is the most populous county and the cultural and economic hub of the state, the Governor is concerned with the repercussions any financial crisis in Milwaukee County could have on the state as a whole. Governor recognizes the need for an independent review for recommendations to be included in state budget.

Continuing remarks by Sheldon Lubar - To respond to that charge it is critical that the task force:

- 1.) Gain an understanding of the role of county government, the context in which Milwaukee County fulfills that role and the relationship between the county and other levels of government.
- 2.) Hear from all task force members to understand how the county government impacts various stakeholders in the community.
- 3.) Thoroughly understand and analyze any potential proposals that will be included in the final report to the governor.

Continuing remarks by Michael Morgan - To adhere to those guidelines, the co-chairs have laid out the attached timeline and topics for future meetings. The general structure for the first several meetings would be as follows:

- 1.) Review of minutes from prior meeting
- 2.) Presentations from invited guests – interactive
- 3.) Feedback from task force members on presentations
- 4.) Discussion of agenda for next meeting

The co-chairs will take into consideration any suggested changes to the framework.

The last series of meetings will focus on establishing a procedure for developing the report and analyzing any proposals that would be included.

Lubar suggests explaining the binder provided members.

Morgan:

Tab 2 - Task Force Charge with press release.

Tab 3 - Outline of topics

July 31- County Executive will make the presentation of Milwaukee County Finances

Early September - Milwaukee County/State of Wisconsin fiscal relations

Late September - Placing Milwaukee County in context

Find comparable counties across the country—Peer Analysis

Examples: Cuyahoga/Cleveland, St.Louis/St.Louis, Alleghany/Pittsburg

Their financing structure, government organization, approaches to Pension and OPEB issues.

Discussion: Task Force members offered the following suggestions on the peer group work. For the analysis it was recommended using the 16 Peer regions that MMAC tracks, or comparables used in interest arbitration, or City of Milwaukee's list of comparables.

Early October - Understanding GASB 45

Discussion: Task Force members asked for an explanation of GASB 45. Members offered that the driver behind GASB 45 is to disclose long-term obligations and liabilities; but there is no requirement in the note that a plan to address costs be in place. It was also indicated that Standard and Poor's and Moody's now acknowledge the impact of the unfunded gap. Task force members voiced a need to better understand the obligations of the county's enterprise funds. A credit analysis of the [funds] was suggested. A presentation to the Task Force on GASB will be made in early October.

Late October - Review of government health care and pension benefits.

Ask for presentations from invited guests. Example: Employee Trust Funds Health Care Director

Discussion: Task Force members suggested inviting large employers (for example Rockwell and Johnson Controls) to learn how they have addressed healthcare and pension benefits challenges; and that an actuary from Northwestern Mutual (currently working with the GMC) be invited to address the Task Force after its review of the county's pension and healthcare finance assumptions and plan. Members were open to using what ever expertise available to better understand the problem and recommendations that should be considered.

Information regarding the county's workforce demographics and trends over the next 5, 10, and 20 years was requested. It was noted that demographic trends would be part of the peer analysis discussion.

Early November - Discussion of recommendations

Mid November - Review and analysis of proposals

Late November – Final decisions and completion

December 1 - Presentation of the final report to the Governor

Discussion: Task Force members discussed external factors potentially impacting the committee's presentation. The GMC will release its report on Milwaukee County finance on September 1, 2006. Intervention points were noted, including the county's 2007 budget. The Task Force charge was reiterated - to deliver recommendations to the Governor by December 1, 2006, in advance of the state budget. Members also discussed processes to distill collective decisions and whether a minority report would be allowed. The desire for a task force consensus was emphasized. It was agreed that meeting material would be provided to members in advance of meetings, and that *stand-ins* for principals would be allowed so long as the designee was consistent.

Tab 5 - A series of Milwaukee Journal Sentinel articles are included for those not from Milwaukee County, either as hard copy or on-line references.

Tab 6 - On-line background information

Discussion: Task Force members were asked to send on-line materials to David Schmiedicke.

Tab 4 - Milwaukee County Task Force Contact list

Discussion: The discussion was opened up for general comment. The DOR website will be set up as a temporary web page for the repository of task force materials. Members were thanked for their time and willingness to participate in the work of the task force.

Next date: July 31, 2006, at a site to be determined.

Adjourn